

Exhibit 47 to Plaintiff's
Memorandum of Points and Authorities
in Support of Its Motion for Temporary
Restraining Order and Preliminary Injunction
(PX01347)

Whole Foods Deals With Increased Competition

NOVEMBER 09, 2006 -- Everyone, it seems, is getting into the business of selling organic foods these days and that has made Austin, Texas-based Whole Foods' job a whole lot tougher, reports a *Bloomberg News* article.

Competitors like Safeway debuted an updated look in August with the opening of their new Lifestyle store in Bowie, Md.: bigger organic-produce selection, wood flooring, and more prepared meals.

Safeway, based in Pleasanton, Calif., says it's positioning itself to compete with both Wal-Mart and Whole Foods.

"The vehicle and the way we do the remodel seems to work just as effectively against price players as it works against quality players," said Safeway CEO Steve Burd.

With organic-food sales forecast to climb 11 percent a year through 2010, Safeway and Wal-Mart Stores Inc. are chasing consumer tastes — and customers of Whole Foods Market Inc. The results are giving the largest seller of natural foods in the U.S. a bitter taste of competition. Whole Foods said November 2 that fourth-quarter sales at stores open at least a year posted the smallest gain in 3 ½ years, the second straight quarter sales missed estimates. The next day, the shares plunged 23 percent.

"Whole Foods is the established leader in that space, and they have a target on their back," said Edward Aaron, a Denver-based analyst with RBC Capital Markets. "Supermarkets are getting more competent at merchandising natural and organic food."

Wal-Mart, the world's largest retailer, is selling organic products such as Earth's Best Baby Food and Heinz Organic Ketchup in all 2,142 of its supercenters after adding items in April, and Target Corp. says it has similar plans. Safeway has remodeled 600 of 1,767 stores to the Lifestyle format.

Partly because of the competition, Whole Foods on November 2 lowered its sales forecast for this year and said same-store sales may rise 6 percent to 8 percent, down from 11 percent last year.

"The conventional markets, seeing how successful Whole Foods has been, are copying us," Chief Executive Officer John Mackey said on a conference call November 2. "That is having an impact."

"There probably is a certain customer that was driving to Whole Foods to buy their organic milk, and now they are buying it at Wal-Mart, so you can't say there is zero impact," said Glenda Chamberlain, chief financial officer at Whole Foods.

Whole Foods is not standing still though. The company, founded by Mackey in 1980, is moving to a larger-store format, such as its 80,000-square-foot (7,432-square-meter) flagship in Austin.

It's coming at a cost. The company said profit will be hurt as spending to open stores will increase 98 percent to as much as \$74 million for the addition of 18 to 20 new outlets this year.

The Austin store, complete with a gelato bar, hosts a farmers market in the parking lot every Wednesday. It also offers 100 varieties of seafood and 400 types of beer.

Whole Foods will continue to differentiate itself, said Jim Sud, the chain's executive vice president of growth and business development.

"They are chasing a moving target," he said. "Although you can get organic produce and different things at Safeway and Wal-Mart, is that the kind of place you want to hang out?"

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